

# OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 2/27/14 CONTROL NO: ITEM NO: 2

TO: CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

**SUBJECT:** HISTORICAL DISTRICT RECREATION AREA BOND PROCEEDS

**FUNDING AGREEMENT** 

AND

**RESOLUTION NO. OB 14-28** 

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING THE EXECUTION OF A HISTORICAL DISTRICT RECREATION AREA BOND PROCEEDS FUNDING AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND THE

CITY OF ARTESIA

**FROM:** Justine Menzel, Deputy Executive Director

**PRESENTATION BY:** Justine Menzel, Deputy Executive Director

#### **BACKGROUND**

The former Artesia Redevelopment Agency issued tax allocation bonds in 2007 (the "2007 Bonds"). One of the purposes for which the 2007 Bonds were issued is the financing of improvements to the City's historical district (the "Historical District").

The Historical District Recreation Area project (the "Project") includes the development of bicycle and pedestrian trails through the Historical District and connecting areas, and the installation of related improvements. Los Angeles County recently approved a grant to the City in the amount of \$300,000, which can be used as supplemental funding for the Project.

On September 24, 2013, the Oversight Board approved the Successor Agency's Recognized Obligation Payment Schedule for the period January 1, 2014 through June 30, 2014 ("ROPS 13-14B"). ROPS 13-14B included line item 19, pertaining to the use of 2007 Bond proceeds, in the amount of \$1,187,500, for the Project. The State Department of Finance ("DOF") approved ROPS 13-14B on November 7, 2013.

Because of the limited staffing of the Successor Agency and the City's traditional role and established procedures with respect to the awarding of public works contracts, the Successor Agency desires to enter into a Historical District Recreation Area Bond Proceeds Funding Agreement (the "Funding Agreement"). Pursuant to the Funding Agreement, the Successor Agency will transfer the 2007 Bond Proceeds (in the amount approved by the Oversight Board and the DOF) to the City for the Project, and the City will perform the work necessary to complete the Project.

#### FISCAL IMPACT

Pursuant to the Funding Agreement, the Successor Agency will transfer \$1,187,500 of the 2007 Bond Proceeds to the City, for use to complete the Project, and the City will perform the work necessary to complete the Project.

#### RECOMMENDATION

The Oversight Board is requested to approve Resolution No. OB 14-28.

#### **ATTACHMENTS**

Resolution No. OB 14-28, with Funding Agreement as Exhibit A ROPS 13-14B, as approved by the Oversight Board and the DOF

# HISTORICAL DISTRICT RECREATION AREA BOND PROCEEDS FUNDING AGREEMENT

This HISTORICAL DISTRICT RECREATION AREA BOND PROCEEDS FUNDING AGREEMENT (this "Agreement"), dated as of January 13, 2014, is entered into by and between the City of Artesia (the "City") and the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency," and together with the City, the "Parties").

#### RECITALS:

- A. On December 20, 2007, the former Artesia Redevelopment Agency (the "Former Agency") issued its Artesia Redevelopment Project Area, 2007 Tax Allocation Bonds (the "2007 Bonds"), in the principal amount of \$12,920,000, pursuant to an Indenture, dated as of December 1, 2007 (the "Indenture"), by and between the Former Agency and Wells Fargo Bank, National Association, as trustee.
- B. One of the purposes for which the 2007 Bonds were issued is the financing of improvements to the City's historical district (the "Historical District").
- C. Key components of a project, known as the Historical District Recreation Area project (the "Project"), include the development of bicycle and pedestrian trails through the Historical District and connecting areas, and the installation of related improvements.
  - D. The Project is of benefit to the Artesia Redevelopment Project Area.
- E. Pursuant to AB X1 26, which was enacted in June 2011, and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), the Former Agency was dissolved as of February 1, 2012, and the Successor Agency was constituted.
- F. AB 1484, which was enacted in June 2012, amended and supplemented the provisions of AB X1 26. Together, AB X1 26 and AB 1484 are referred to herein as the "Dissolution Act."
- G. Pursuant to Section 34175(b) of the California Health and Safety Code ("HSC"), all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Agency, including the unspent proceeds of the 2007 Bonds (the "2007 Bond Proceeds"), transferred to the control of the Successor Agency by operation of law.
- H. According to HSC Section 34191.4, after the Successor Agency's receipt of a finding of completion (the "Finding of Completion") issued by the California State Department of Finance (the "DOF") pursuant to HSC Section 34179.7, the 2007 Bond Proceeds shall be used for the purposes for which the 2007 Bonds were sold, in a manner consistent with the bond covenants.
- I. By DOF's letter, dated April 18, 2013, the DOF informed the Successor Agency that the DOF has issued a Finding of Completion to the Successor Agency.

- J. There remains a balance of 2007 Bond Proceeds in the Successor Agency's accounts (approximately \$2.4 million as of January 1, 2014).
- K. The Successor Agency desires to proceed with the use of the 2007 Bond Proceeds for the purposes for which the 2007 Bonds were sold, including the financing of the Project.
- L. Pursuant to HSC Section 34177(l), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period ("ROPS Period"). The ROPS must be submitted to the Oversight Board of the Successor Agency (the "Oversight Board") and the DOF for approval.
- M. Pursuant to HSC Section 34191.4(c)(2), the expenditure of 2007 Bond Proceeds for an obligation must be listed on a ROPS.
- N. The Successor Agency previously prepared the ROPS the period from January 1, 2014 through June 30, 3014 ("ROPS 13-14B").
- O. Listed as Item No. 19 on ROPS 13-14B is the anticipated use of \$1,187,500 of 2007 Bond Proceeds for the Project (the ROPS 13-14B Project Estimate").
- P. The Oversight Board adopted Resolution No. 13-25, on September 17, 2013, approving ROPS 13-14B.
- Q. By DOF's letter dated November 7, 2013, the DOF confirmed its approval of all of the items listed on ROPS 13-14B.
- R. Because of the limited staffing of the Successor Agency and the City's traditional role and established procedures with respect to the awarding of public works contracts, the Successor Agency desires to enter into this Agreement with the City, for the City to perform or cause to be performed all work required to complete the Project, with payment therefor to be made from 2007 Bond Proceeds.
- S. This Agreement provides for the transfer of 2007 Bond Proceeds to the City for the City to perform or cause to be performed all work required to complete the Project.
- T. Pursuant to HSC Sections 34178(a) and 34180(h), with the approval of the Oversight Board, the Successor Agency may enter into agreements with the City.
- U. Resolution No. \_\_\_\_ adopted by the Oversight Board on \_\_\_\_\_, 2014 approving the Successor Agency's execution and delivery of this Agreement was approved [deemed approved] by the DOF pursuant to HSC Section 34179(h) on \_\_\_\_\_\_, 2014.

#### NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

**Section 1.** Subject to the provisions of this Agreement and with the funding provided pursuant to this Agreement, the City agrees to perform or cause to be performed all work required for the completion of the Project, including but not limited to the preparation of designs, plans and specifications and all demolitions, construction and installations. The City shall

perform such work in accordance with all applicable federal, state and local laws, rules and regulations. Subject to the covenants set forth herein, the City shall have the sole discretion with respect to the design, planning, specification and the timing with respect to all components of the Project.

- **Section 2.** As soon as practical upon the execution of this Agreement by the Parties, the Successor Agency shall transfer an amount equal to the ROPS 13-14B Project Estimate from the 2007 Bond Proceeds to the City.
- **Section 3.** (a) The Parties acknowledge and agree that the 2007 Bond Proceeds shall be the sole source of the Successor Agency's payment for the completion of the Project pursuant to this Agreement.
- (b) At any time, if the City determines that the amount previously transferred by the Successor Agency pursuant to this Agreement is insufficient for the completion of the Project, the City's Finance Director shall notify the Successor Agency, specifying the estimated dollar amount necessary for the completion of the Project (the "Additional Funding Amount"). To the extent that sufficient unspent 2007 Bond Proceeds remain available, the Successor Agency shall list the Additional Funding Amount on the ROPS for the next available ROPS Period. Upon obtaining the Oversight Board's and the DOF's approval for such ROPS item, the Successor Agency shall transfer the Additional Funding Amount from 2007 Bond Proceeds to the City as soon as practicable upon the commencement of the applicable ROPS Period.
- (c) Before the transfer of any Additional Funding Amount pursuant to Section 3(b) above, the City may, but is not obligated to, advance funds from sources available to City for the work necessary for the Project (each such advance being a "City Advance"). Any Additional Funding Amount transferred by the Successor Agency pursuant to Section 3(b) shall first be used to reimburse the City for outstanding City Advances, and then to pay for other expenditures of the Project.
- **Section 4.** To the extent the City still holds unspent 2007 Bond Proceeds transferred pursuant to this Agreement after the completion of the Project (as determined by the legislative body of the City), the City shall return such unspent Bond Proceeds to the Successor Agency within a reasonable time after such determination.
- **Section 5.** The City covenants that it shall use the 2007 Bond Proceeds in a manner consistent with the covenants in the Indenture, including, but not limited to, any covenants regarding the tax-exempt status of interest on the 2007 Bonds under the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.
- **Section 6.** Each Party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other Party at all reasonable times.
- **Section 7.** The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

- **Section 8.** This Agreement may be amended from time to time by written instrument executed by both Parties.
- **Section 9.** No official, agent, or employee of the Successor Agency or the City, or members of the City Council, or members of the Successor Agency Board of Directors or Oversight Board shall be individually or personally liable for any payment hereunder in the event of any default or breach by the Successor Agency or the City, or for any amount which may otherwise become due to the City or Successor Agency, or successor thereto, or on any obligations under the terms of this Agreement.

**Section 10.** This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

## CITY OF ARTESIA

ATTEST:	By Tony Lima, Mayor
Gloria Considine, City Clerk	SUCCESSOR AGENCY TO THE ARTESIA
	REDEVELOPMENT AGENCY
	By Tony Lima, Chairman
ATTEST:	
Gloria Considine, Secretary	
APPROVED:	
OVERSIGHT BOARD TO THE SU AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY	JCCESSOR
By:William A. Holt, Chairman	

#### **RESOLUTION NO. OB 14-28**

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING THE EXECUTION OF A HISTORICAL DISTRICT RECREATION AREA BOND PROCEEDS FUNDING AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF ARTESIA

#### Recitals:

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- H. According to HSC Section 34191.4, after the Successor Agency's receipt of a finding of completion (the "Finding of Completion") issued by the California State Department of Finance (the "DOF") pursuant to HSC Section 34179.7, the 2007 Bond Proceeds shall be used for the purposes for which the 2007 Bonds were sold, in a manner consistent with the bond covenants.

- I. By DOF's letter, dated April 18, 2013, the DOF informed the Successor Agency that the DOF has issued a Finding of Completion to the Successor Agency.
- J. There remains a balance of 2007 Bond Proceeds in the Successor Agency's accounts (approximately \$2.4 million as of January 1, 2014).
- K. The Successor Agency desires to proceed with the use of the 2007 Bond Proceeds for the purposes for which the 2007 Bonds were sold, including the financing of the Project.
- L. Pursuant to HSC Section 34177(1), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period. The ROPS must be submitted to the Oversight Board of the Successor Agency and the DOF for approval.
- M. Pursuant to HSC Section 34191.4(c)(2), the expenditure of 2007 Bond Proceeds for an obligation must be listed on a ROPS.
- N. The Successor Agency previously prepared the ROPS covering the period from January 1, 2014 through June 30 ("ROPS 13-14B").
- O. Listed as Item No. 19 on ROPS 13-14B is the anticipated use of \$1,187,500 of 2007 Bond Proceeds for the Project.
- P. The Oversight Board adopted Resolution No. 13-25, on September 17, 2013, approving ROPS 13-14B.
- Q. By DOF's letter dated November 7, 2013, the DOF confirmed its approval of all of the items listed on ROPS 13-14B.
- R. Because of the limited staffing of the Successor Agency and the City's traditional role and established procedures with respect to the awarding of public works contracts, the Successor Agency desires to enter into a Historical District Recreation Area Bond Proceeds Funding Agreement (the "Funding Agreement") with the City, for the City to perform or cause to be performed all work required to complete the Project, with payment therefore to be made from 2007 Bond Proceeds.
- S. The Funding Agreement provides for the transfer of 2007 Bond Proceeds to the City for the City to perform or cause to be performed all work required to complete the Project.

# NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Oversight Board hereby approves the execution and delivery by the Successor Agency of the Funding Agreement, substantially in the form attached hereto as Exhibit A.

<u>Section 3.</u> The members of this Oversight board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Funding Agreement.

PASSED AND ADOPTED this 27th day of February, 2014.

TO THE ARTESIA REDEVELOPMENT AGENCY

	William A. Holt, Chair	
ATTEST:		

### **EXHIBIT A**

Historical District Recreation Area Bond Proceeds Funding Agreement (see attached)

# Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary Filed for the January 1, 2014 through June 30, 2014 Period

Name	of Successor Agency:	Artesia			
Name of County:		Los Angeles			
Curre	nt Period Requested Fu	unding for Outstanding Debt or Obliga	ation	Six-Month	Total
Α	Enforceable Obligation Sources (B+C+D):	ons Funded with Non-Redevelopment	t Property Tax Trust Fund (RPTTF) Funding	\$	2,098,146
В	Bond Proceeds Fu	unding (ROPS Detail)			2,098,146
С	Reserve Balance	Funding (ROPS Detail)			-
D	Other Funding (R0	OPS Detail)			-
E	Enforceable Obligation	ons Funded with RPTTF Funding (F+0	G):	\$	732,569
F	Non-Administrativ	e Costs (ROPS Detail)			667,896
G	Administrative Co	sts (ROPS Detail)			64,673
Н	Current Period Enfor	ceable Obligations (A+E):		\$	2,830,715
Succe	essor Agency Self-Repo	orted Prior Period Adjustment to Curre	ent Period RPTTF Requested Funding		
I	Enforceable Obligation	ns funded with RPTTF (E):			732,569
J	Less Prior Period Adju	stment (Report of Prior Period Adjustme	ents Column U)		-
K	Adjusted Current Per	riod RPTTF Requested Funding (I-J)		\$	732,569
Count	y Auditor Controller Re	eported Prior Period Adjustment to Cu	rrent Period RPTTF Requested Funding		
L	Enforceable Obligation	ns funded with RPTTF (E):			732,569
М	Less Prior Period Adju	stment (Report of Prior Period Adjustme	ents Column AB)		-
N	Adjusted Current Per	riod RPTTF Requested Funding (L-M)			732,569
Contifi	nation of Overeight Pears	d Chairman			
Pursua hereby	certify that the above is	of the Health and Safety code, I a true and accurate Recognized	Name		Title
Obliga	tion Payment Schedule f	for the above named agency.	/s/		
			Signature		Date

## Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances (Report Amounts in Whole Dollars)

				(кероп.	Amounts in Whole	Dollars)				
	suant to Health and Safety Code section 34177(I), Redevelopment Pro proceable obligation.	pperty Tax Trust F	und (RPTTF) may	be listed as a source	of payment on the	ROPS, but only to the	extent no other fund	ding source is availa	able or when payr	ment from property tax revenues is required by an
Α	В	С	D	E	F	G	н	I	J	К
					Fund	Sources				
		Bond F	Proceeds	Reserve	Balance	Other	RP	TTF		
		Bonds Issued	Bonds Issued	Review balances retained for approved	RPTTF balances	Rent,				
	Fund Balance Information by ROPS Period	on or before 12/31/10	on or after 01/01/11	enforceable obligations	retained for bond reserves	Grants, Interest, Etc.	Non-Admin	Admin	Total	Comments
OF	PS III Actuals (01/01/13 - 6/30/13)		•	•	•		•		•	
	Beginning Available Fund Balance (Actual 01/01/13)  Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	7 205 022		706.068					\$ 7.991.090	Per DOF's 12/15/12 letter regarding LMIH DDR DOF authorized Successor Agency to retain \$706,068 and use for RPTTF shortfall
	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts	7,285,022	-	700,000	-		-	-	\$ 7,991,090	\$21,082 in Column G represents interest earnir from bond reserve funds held by the bond trust Pursuant to indentures, such interest earnings not remitted to the Successor Agency but are applied by the bond trustee directly to upcomind
	should tie to the ROPS III distributions from the County Auditor- Controller	11,024				21,082	420,923	146,588	\$ 599,617	bond debt service payments."
	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	66.123		190.023		21.082	420.923	146.588	\$ 844.739	Per DOF's 12/18/12 letter, DOF approved \$782,116 of RPTTF funding for ROPS III obligations. The Successor Agency received or \$567,511. Therefore, \$190,023 from DDR retained balance was used to cover the shortfal (i.e., \$214,605 less \$21,082 [see note to Line 2] and less \$3,500 due to non-admin RPTTF decreased expenditures).
	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	7.229.923		516.045		21,002	420,323	140,300	\$ 7.745.968	,
	ROPS III RPTTF Prior Period Adjustment Note that the net Non- Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	7,220,020		No entry required			_	_	\$ -	
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
OF	PS 13-14A Estimate (07/01/13 - 12/31/13)									
	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ 7,229,923	\$ -	\$ 516,045	\$ -	\$ -	\$ -	\$ -	\$ 7,745,968	
	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller	11,000					507,087	185,327	\$ 703,414	
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)	2,716,998					507.087	185,327	\$ 3,409,412	
	Retention of Available Fund Balance (Estimate 12/31/13)  Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A	4,523,925		516,045			307,007	100,021	\$ 5,039,970	
11	Ending Estimated Available Fund Balance (7 + 8 - 9 -10)	\$ -	s -	\$ -	s -	\$ -	s -	\$ -	\$ -	

## Recognized Obligation Payment Schedule (ROPS ) 13-14B - ROPS Detail January 1, 2014 through June 30, 2014 (Report Amounts in Whole Dollars)

-	I					I			I	I					
Α	В	С	D	E	F	G	н	ı	J	к	L	М	N	0	P
										Funding Source					
										Non-Redev	elopment Property T (Non-RPTTF)			TTF	
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired		Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
1	2007 Tax Allocation Bond	Revenue Bonds	12/5/2007	12/31/2042	Wells Fargo Bank, N.A.	Non-housing bond debt service	Central Commercial	\$ 61,856,570 24,973,820	N	\$ 2,098,146	\$ -	\$ -	\$ 667,896 507,343	\$ 64,673	\$ 2,830,715 \$ 507,343
		Issued On or Before 12/31/10				payments	Corridor Project						,,,		
2	2009 Tax Allocation Bond	Revenue Bonds Issued On or Before 12/31/10	6/18/2009	6/18/2046	Wells Fargo Bank, N.A.	Housing bond debt service payments	Central Commercial Corridor Project	9,485,152	N				154,553		\$ 154,553
3	Tax allocation bonds	Fees	1/1/2008	6/18/2046	Urban Futures, Inc.	Continuing disclosure fees	Central Commercial Corridor Project	122,100	N				3,700		\$ 3,700
4	Tax allocation bonds	Fees	1/1/2008	6/18/2046	Willdan Financial Services	Arbitrage rebate calculation	Central Commercial Corridor Project	16,000	N						\$ -
5	Advance and Reimbursement Agreement and/or Cooperative Agreement and/or City Loan	Improvement/Infrastr ucture	9/1/2007	12/31/2042	City of Artesia	Reimbursement for improvements on Exhibit A of agreement	Central Commercial Corridor Project	2,098,146	N						\$ -
6	Cooperative Agreement	Admin Costs	2/1/2012	2/1/2046	City of Artesia	Administration and operations of Successor Agency	Central Commercial Corridor Project	10,526,603	N						\$ -
7	Salaries	Project Management Costs	1/1/2014	6/30/2014	Employees of City/Agency	Payroll for downtown revitalization project implementation	Central Commercial Corridor Project	80,000	N	80,000					\$ 80,000
8	Salaries/benefits	Admin Costs	1/1/2014	6/30/2014	Employees of City/Agency	Payroll for administration/operations of Agency	Central Commercial Corridor Project	4,380,225	N					37,173	\$ 37,173
9	Rent	Admin Costs	1/1/2014	6/30/2014	City of Artesia	Overhead, utilities, supplies, insurance, etc.	Central Commercial Corridor Project	5,527,500	N					10,000	\$ 10,000
10	Legal services	Legal	1/1/2014	6/30/2014	Richards, Watson, Gershon	Legal fees for agency	Central Commercial Corridor Project	2,050,000	N	40,000				10,000	\$ 50,000
11	Contract services	Project Management Costs	1/1/2014	6/30/2014	Kelly Associates Mgmt Grp	Professional project and housing services	Central Commercial Corridor Project	-	N						\$ -
12	Lobbyist	Admin Costs	1/1/2014	6/30/2014	Cline & Duplissea	Lobbyist services	Central Commercial Corridor Project	100,500	N					1,500	\$ 1,500
13	Business resource	Admin Costs	1/1/2014	6/30/2014	Artesia Chamber of Commerce	Business resource assistance	Central Commercial Corridor Project	100,500	N					1,500	\$ 1,500
14	Accounting services	Admin Costs	1/1/2014	6/30/2014	Deb's Bookkeeplus	Specialized accounting, oversight, and reporting services		126,068	N					1,500	\$ 1,500
15	Auditors	Dissolution Audits	1/1/2014	6/30/2014	White Nelson Diehl Evans	CPAs for financial audit of agency	Central Commercial Corridor Project	130,510	N					3,000	\$ 3,000
16	Tax Allocation bond reserve trustee	Fees	12/5/2007	6/18/2046	Wells Fargo Bank, N.A.	Trustee services	Central Commercial Corridor Project	154,100	N				2,300		\$ 2,300
17	Downtown District-Pioneer Blvd. Revitalization	Improvement/Infrastr ucture	5/13/2013	12/31/2042	City of Artesia	Complete bond funded redevelopment project	Central Commercial Corridor Project	790,646	N	790,646					\$ 790,646
18	Oversight Board	Miscellaneous	9/29/2012	9/29/2013	CJPIA	Special liability Insurance Program	Central Commercial Corridor Project	7,200	N						\$ -
19	Historic District	Improvement/Infrastr ucture	12/1/2013	12/31/2042	City of Artesia	Complete bond funded redevelopment project	Central Commercial Corridor Project	1,187,500	N	1,187,500					\$ 1,187,500
															\$ -
															\$ - \$ -
															\$ -
															\$ - \$ -
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Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Prior Period Adjustments
Reported for the ROPS III (January 1, 2013 through June 30, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

ROPS III Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS III (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14B (January through June 2014) period will be offset by the SA's self-reported ROPS III prior period adjustments. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	В	С	D	E	F	G H	1	J	к	L	М	N	0	P	Q	R	s	т	U			
					Non-RPTT	F Expenditures	1							1		F Expenditures						
		LM	IHF	F Reserve Balance																		
		(Includes LMIHI Review (DDR) re	F Due Diligence etained balances)	Bond	Proceeds	(Includes Other Funds and Assets DDR retained balances)	Othe	r Funds			Non-Admin					Admin			Net SA Non-Admin and Admin PPA			
Item #	Project Name / Debt Obligation	Authorized \$ 706,068	Actual \$ 190,023	Authorized \$ 66,123	Actual \$ 66,123	Authorized Actual	Authorized	Actual \$ 21,082	Authorized \$ 635,528	Available RPTTF (ROPS III distributed + all other available as of 1/1/13) \$ 420,923	Net Lesser of Authorized/ Available \$ 420,923	Actual \$ 420,923	Difference (If M is less than N, the difference is zero)	Authorized \$ 146,588	Available RPTTF (ROPS III distributed + all other available as of 1/1/13) \$ 146,588	Net Lesser of Authorized / Available	Actual \$ 146,588	Difference (If R is less than S, the difference is zero)	Net Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (O + T))			
1	2007 Tax Allocation Bond	51,597						17,089	470,313	414,723	\$ 414,723	414,723				\$ -		\$ -	\$ -			
	2009 Tax Allocation Bond	654,471	151,522					3,993	155,515	-	\$ -		\$ -			s -		\$ -	\$ -			
	Tax allocation bonds Tax allocation bonds								3,700 6,000	3,700 2,500	\$ 3,700 \$ 2,500	3,700 2,500	\$ - \$ -			s -			\$ - \$ -			
	Advance and Reimbursement Agreement and/or Cooperative Agreement and/or City Loan								,,,,,	,,,,,	s -	,,,,,	s -			s -		s -	s -			
6	Cooperative Agreement										\$ -		\$ -			\$ -			\$ -			
	Salaries Salaries/benefits			66,123	66,123						\$ - \$ -		\$ - \$ -	16.390	16.390	\$ - \$ 16.390	16.390		\$ - \$ -			
9	Rent										\$ -		\$ -	82,500	82,500		82,500		\$ -			
	Legal services										\$ -		\$ -	30,000	30,000	\$ 30,000	30,000	\$ -	\$ -			
	Contract services Lobbyist										\$ - \$ -		\$ - \$ -	4,995 4,625	4,995 4,625		4,995 4,625		\$ - \$ -			
13	Business resource										\$ -		\$ -	1,500	1,500		1,500		\$ -			
	Accounting services										-		\$ -	2,688	2,688	\$ 2,688	2,688	\$ -	\$ -			
15	Auditors Tax Allocation bond reserve										\$ -		\$ -	3,890	3,890	\$ 3,890	3,890	\$ -	\$ -			
16	trustee										\$ -		\$ -			\$ -		\$ -	\$ -			
17	Downtown District-Pioneer Blvd. Revitalization												\$ -			s -		\$ -	s -			
18	Oversight Board												\$ -			\$ -			\$ -			
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January 1, 2014 through June 30, 2014

#### Item # Notes/Comments

19

All or a portion of items 7-15 shall be repaid to City pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/12.

7-15 expenses as adopted and effective 2/1/12.
 Additional funding amount pursuant to the Pioneer Downtown Revitalization Project Bond Proceeds Funding Agreement, by and between the City and the Successor
 17 Agency, which has already been previously approved by the Oversight Board and the DOF.

The Historic District Project is identified in bond documents for 2007 tax exempt bonds issued by the former Artesia Redevelopment Agency as a project to be funded with those bond proceeds. The estimated amount of the total project related cost is shown in item 19. Payment of item 19 is contingent on the Oversight Board's approval of a Historic District Project Bond Proceeds Funding Agreement to be entered into between the City and the Successor Agency.

## PPA 7-9 Note to the Report of Prior Period Adjustments:

Column J - \$21,082 represents interest earnings from bond reserve funds held by the bond trustee. Pursuant to indentures, such interest earnings are not remitted to the Successor Agency but are applied by the bond trustee directly to upcoming bond debt service payments.